

**Minutes of the 22nd meeting of the Grievance Redressal Committee under DMI&SP Policy held on 15th April 2024 at 03:00 P.M. in hybrid mode under the Chairmanship of Shri Abhijit Narendra, Joint Secretary, Ministry of Steel**

A list of Participants who attended the meeting is given in Annexure I.

2. At the outset, the Chairman of the Grievance Redressal Committee welcomed the participants to the 22nd Meeting of the Committee. Based on the issues raised by various procuring agencies, inputs provided by domestic manufacturers and comments of MECON Ltd., Deputy Secretary, Wo Steel, made a brief presentation on the following issues:

- i. Exemption from DMI&SP Policy for procurement of Premium Casing.
- ii. Delays in supply of Casing pipes by MJs Jindal Saw Ltd to ONGC.

3. Exemption from DMI&SP Policy for procurement of Premium Casing.

**Background:**

M/s ONGC requested for exemption from DMI&SP policy to procure below mentioned Premium threaded casing with accessories for the year 2024-25, wherein no domestic vendor is available-

S. No.	Item	Quantity in Meters/ MT	Estimated cost INR
1	11-3/4" OD Size, N-80, 60 PPF Flush Joint	2200/116	3.14 Cr
2	7" P-110, 35 PPF for HPHT application	6364/334	8.61 Cr
3	7" OD Size Q 125 35 PPF for HPHT application	2810/253	7.28 Cr

**3.1 11-3/4" OD Size, N-80, 60 PPF Flush Joint**

**Discussion-**

- i. It was observed that clearance for import of this item under the DMI&SP Policy had been given earlier in the 18th meeting of the Standing Committee held on 20.03.2023. ONGC informed that in pursuance of the earlier clearance, an Order had been placed with M/s Mitsui of Japan and the supply is likely to be received by July 2024.
- ii. Thereafter, it was enquired by the Chairman of the committee regarding the constraints faced in manufacturing the items domestically.
  - MSL has informed that it has the capability to produce the said pipes but presently does not have the capability to cut premium threads. They have engaged in technical discussions with 2-3 companies listed with ONGC for premium threads. Technical aspects have been addressed, and these companies have visited MSL's plants. Commercial discussions are ongoing and are expected to take 3-6 months to finalize.

- After obtaining the necessary license, MSL anticipates a production lead time of 15-30 days.
  - **ONGC** emphasized that premium connections are specialized and have specific quality requirements related to temperature and pressure. For the 11-3/4 size, there is an additional feature of flush joints, which **ONGC** has requested MSL to take note of.
- iii. **Jindal Saw Ltd** has formed they have a joint venture with **Hunting** and can supply various premium threaded products. These premium connections are based on **patented technology**.
- - Initially, JSL indicated that they lacked the capability to supply the **11-3/4 casing**. However, during the meeting, it was informed that they would reevaluate their manufacturing capabilities and report in 6-7 days. Since their partner, Hunting is not yet approved for this size. Jindal Saw can manufacture the item, but the connection type needs further consideration.
    - **ONGC** acknowledges Hunting's approval but the flush joint is an additional part and **ONGC** would require supporting documents from Jindal Saw to verify quality compliance. **ONGC** will review these documents within a week after submission.
    - **ONGC** has requested a **one-time exemption** as procurement delay would impact production. Meanwhile, **ONGC** will continue discussions with domestic manufacturers and consider them for the next procurement cycle.

### **Recommendation of Grievance Redressal Committee-**

The Grievance Redressal Committee recommended Jindal Saw's request for additional time to reassess their manufacturing capabilities. If JSL indeed has the capability, they were requested to promptly submit the necessary supporting documentation to **ONGC**. Furthermore, **ONGC** was urged to promptly examine and validate JSL's claim once the documents were submitted.

The Chairman of the Grievance Redressal Committee emphasized that both manufacturers, Jindal Saw and MSL, should take proactive steps to ensure that future requirements for the specified item are met domestically.

### **3.2 7" P-110, 35 PPF for HPHT application**

#### **Discussion-**

- i. It was observed that clearance for import of this item under the DMI&SP Policy had been given earlier in the 19th meeting of the Standing Committee held on 5.7.2023. **ONGC** informed that an Order has been placed for a part of this Clearance by them and delivery of the items is likely to be available in 2.5 months. The technical specifications were slightly changed due to changes in the Wells. Further, **ONGC** informed that the requirement of the item was curtailed last year and the unutilized part of last year's approval will also be used in the upcoming projects. **ONGC** would provide further details on the amount curtailed in due course.

- ii. During discussions on domestic manufacturing capabilities, Jindal Saw shared that they have an ongoing 7" P-110 order, which is currently in the final inspection stage and is expected to be completed within a week. However, when it comes to High-Pressure High-Temperature (HPHT) applications, ONGC had not approved their Hunting Premium Connection License.
  - - ONGC stated that for High-Pressure High-Temperature (HPHT) applications, the Hunting premium connections were not meeting the quality requirements of CAL-IV. ONGC informed that for HPHT applications there are only 5 authorized premium connections and Hunting premium connections are approved for non-HPHT applications. Jindal Saw reconfirmed that at present they have a JV only with Hunting.
    - For domestic production, Jindal Saw suggested that ONGC might reconsider the Hunting connection. Jindal Saw further highlighted that on one hand ONGC has stated that the Hunting connection is not meeting quality standards for 7" casing but ONGC has already approved the Hunting connection for 9-5/8" HPHT applications. Jindal Saw requested ONGC to consider Hunting for an HPHT application based on the approval granted to 9-5/8" casing/pipes.
    - ONGC assured that they would investigate the matter and provide a response. Further, Emphasizing the need for casing approved for HPHT applications, ONGC requested Jindal Saw to promptly submit the CAL-IV certification. This certification would enable ONGC to assess the suitability of Hunting Connections for HPHT scenarios.

#### **Recommendation of Grievance Redressal Committee-**

The Grievance Redressal Committee recommended ONGC shall submit their report regarding the Hunting Premium Connection License for 7" threads submitted by Jindal Saw, along with detailed reasons in case it is not acceptable for them within a week time.

Further, The Chairman of the Grievance Redressal Committee requested that the domestic industry and the procuring agencies be in tandem with each other, so that the requirements, constraints and steps needed to taken are clear and new revelations do not appear in these meetings.

#### **3.3 7" OD Size Q 125 35PPF for HPHT application**

Considering that the matter is also relevant to High-Pressure High-Temperature (HPHT) applications, ONGC was urged to consolidate both issues and address them in conjunction with the 7" P-110, 35 PPF scenario for HPHT.

#### **Recommendation of Grievance Redressal Committee-**

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Further, The Chairman of the Grievance Redressal Committee requested that the domestic industry and the procuring agencies be in tandem with each other, so that the requirements, constraints and steps needed to taken are clear and new revelations do not appear in these meetings.

#### **4. Delays in supply of Casing pipes by M/s Jindal Saw Ltd to ONGC.**

##### **Background**

ONGC informed that regular order for supply of casing pipes are placed on domestic manufacturers specially M/s Jindal Saw Ltd. However there were long delays in the supply of the items by M/s Jindal Saw Ltd.

##### **Discussion:**

M/s Jindal Saw Ltd attributed the delay to the following reasons:

- The delivery period of 4-5 months given by ONGC for the first lot and 2.5 months for the second lot is insufficient as:
- **Raw material** suppliers take **2-2.5 months**' supply time for supplying raw materials for **seamless casing and tubing** and **4-6 months to supply raw materials for 13 Chrome.**
- Earlier coupling could only be processed at the Singapore or Indonesia facility of M/s Hunting Energy Ltd with a minimum lead time of 3-4 months.
- Orders are released in a very short span and with overlapping delivery periods.

M/s Jindal Saw Ltd has taken the following action to **clear the backlog in 3-4 months:**

- Development of local sources for reducing lead time for raw material
- JV facility has been put close to the plant reducing delay in sourcing coupling.
- Ramping up the capacity of cutting premium pin-by-pin threading.

M/s Jindal Saw Ltd intimated that delays occurred in the initial phases due to the above reasons which have been sorted out. They have improved their abilities and are now in a position to supply the items to ONGC within the given timelines. ONGC officers stated that they are happy with the Assurances by M/s Jindal Saw.

##### **Recommendation of Grievance Redressal Committee**

The matter is treated as closed since both parties have reached an amicable solution.

5. The meeting ended with vote of thanks to the Chairman.

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List of Participants

1. Shri Abhijit Narendra, Joint Secretary- Chairman of the Grievance Redressal Committee
2. Shri G Sarathy Raja, Deputy Secretary
3. Shri Parmjeet Singh, AIA
4. Shri NS Venkateshwaran, Under Secretary
5. Shri U. K. Vishwakarma, Executive Director (Delhi), MECON
6. Shri K. K. Srivastava, Chief General Manager (Elect.), MECON
7. Shri Kumud Ranjan, Sr. General Manager (Met. Wing), MECON
8. Shri Sai Ram, ED CTS, ONGC
9. Shri Pardeep Soni, ONGC
10. Shri Sanjiv Dheer, Global Business Head (Seamless Div.), M/s Jindal Saw Ltd
11. Shri Arpan Sisodia, M/s Jindal Saw Ltd
12. Shri Shiv Kumar Singhal, President (Commercial), M/s Maharashtra Seamless Ltd
13. Shri Hemant Matreja, DGM (Marketing), M/s Maharashtra Seamless Ltd
14. Shri Meetei, M/s ISMT
15. Shri Vikas Kalra, Vice President Sales and Marketing, M/s UDTL
16. Parveen Industries